

PROVINCE OF SASKATCHEWAN



2009

ANNUAL REPORT

**PUBLIC EMPLOYEES
DISABILITY INCOME FUND**

Public Employees Disability Income Fund
Statement of Financial Position

Statement 1

As At December 31

ASSETS	2009	2008
Current Assets:		
Cash	\$ 5,804	\$ 398,254
Due from Great West Life Assurance Company (Note 4)	18,951	-
Due from Co-operators Life Insurance Company (Note 4)	-	207,735
Accounts receivable	552,491	360,393
	577,246	966,382
Investments (Note 2c, 3)	67,239,172	64,145,227
Total Assets	<u>\$ 67,816,418</u>	<u>\$ 65,111,609</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 93,553	\$ 119,207
Employer premium payable	119,365	114,370
Provision for claims payable (Note 5)	79,779,000	77,379,000
Total Liabilities	79,991,918	77,612,577
Net Deficit (Statement 2)	(12,175,500)	(12,500,968)
Total Liabilities and Net Assets	<u>\$ 67,816,418</u>	<u>\$ 65,111,609</u>
Contingencies (Note 7)		

(See accompanying notes to the financial statements)

7. Contingencies

PEDIF is a party to a number of lawsuits initiated by claimants relating to disability benefits. The ultimate outcome of these lawsuits is not yet determinable. Accordingly, no liability has been recorded in these financial statements. Liabilities arising from the resolution of these lawsuits will be accounted for in the year the lawsuits are settled.

8. Investment Performance

PEDIF's investments are represented by the amounts held by GWL Investment Management Limited (see note 2c, 3). The following is a summary of the investment performance:

	<u>2009</u>	<u>Four year annualized return</u>
Actual (a)	11.2%	4.0%
Benchmark (b)	9.8%	3.2%

- (a) The annual returns are before deducting investment expenses.
- (b) The benchmark return is PEDIF's target rate of return for its segregated fund. The benchmark return is based on the performance of PEDIF's planned investment portfolio for its segregated fund.

PEBA can invest money of the PEDIF in any securities authorized for investment pursuant to PEDIF's Statement of Investment Policies and Goals (Statement). PEBA has made an agreement with GWL Investment Management Limited to invest the monies of PEDIF in Great West Life's segregated fund consistent with the Statement. PEDIF pays management fees to GWL Investment Management Limited for providing this service.

9. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually. The investment policy provides guidelines to the Plan's investment manager for the asset mix of the portfolio regarding quality and quantity of fixed income and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. PEBA reviews regular compliance reports from its investment manager as to its compliance with the investment policy. PEBA also reviews regular compliance reports from the pooled fund custodian as to the investment manager's compliance with the investment policy.

Credit risk

The Plan's credit risk arises primarily from two distinct sources: accounts receivable and certain investments. The maximum credit risk to which it is exposed at December 31, 2009 is limited to the carrying value of the financial assets summarized as follows:

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g) Future accounting policy changes

In December 2009, the Public Sector Accounting Board issued an amendment to the introduction to the Public Sector Accounting (PSA) Handbook. Effective for fiscal years beginning on or after January 1, 2011, other government organizations (OGOs) are directed to PSA standards unless these standards do not meet their users' needs. The Plan is classified as an OGO and will be assessing the appropriateness of adopting PSA standards.

3. Investments

At December 31, 2009, the investments held on behalf of PEDIF by GWL Investment Management Limited in the segregated fund consist of short-term notes, Canadian government and corporate bonds, Canadian and US equities. The investments are subject to interest rate risk, credit risk, market risk, and foreign exchange risks. In accordance with the Plan's Statement of Investment Policy and Goals, PEBA limits these risks by regulating the aggregate and individual investments limits, by setting quality parameters of investments, and by setting other constraints.

Great West Life does not remit the investment income to PEDIF; it reinvests the income, net of management fees, in the segregated fund.

Fair Value

The Plan has classified its required fair valued financial instrument holdings using a hierarchy that reflects the significance of the inputs used in determining their measurements.

Under the classification structure, financial instruments recorded at unadjusted quoted prices in active markets for identical assets and liabilities are classified as Level 1. Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly are classified as Level 2. Instruments valued using inputs that are not based on observable market data are classified as Level 3.

The following table classifies the Plan's required financial instruments within a fair value hierarchy:

(thousands of dollars)

Pooled Funds	Level 1	Level 2	Level 3	Total
Money Market Fund	\$2,283			\$2,283
Bond Fund	\$34,365			\$34,365
Mortgage Fund		\$4,681		\$4,681
Equity funds	\$25,910			\$25,910
Total	\$62,558	\$4,681		\$67,239

4. Due from Great West Life Assurance Company

According to the agreement between PEBA and Great West Life Assurance Company (2008 - Co-operators Life Insurance Company), Great West Life has established an account for receipt of PEDIF's premiums and payment of claims and administrative expenses. The balance in this account represents monies due from Great West Life to PEDIF.

	(thousands of dollars)	
	<u>2009</u>	<u>2008</u>
	Carrying value	Carrying value
Accounts receivable	\$ 552	\$ 360
Due from Great West Life Assurance Company	19	
Due from Co-operators Life-Insurance Company		208
Investment ¹	36,662	42,690

¹ Bonds & short-term investment held on behalf of PEDIF in a segregated fund.

Accounts receivable are primarily made up of employee and employer contributions receivable. Employee and employer contributions receivable are generally received within 30 days.

Credit risk within investments is primarily related to the Pooled Fixed Income Fund and the Pooled Equity Funds. It is managed through the investment policy that limits fixed term investments to those of high credit quality (minimum rating for bonds, BBB, and for short-term investments is R-1) along with limits to the maximum notional amount of exposure with respect to any one issuer.

Market risk

Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest rate risk

The Plan is exposed to changes in interest rates in its fixed income investments. Duration is a measure used to estimate the extent market values of fixed income instruments change with changes in interest rates. Using this measure, it is estimated that a 100 basis point increase in interest rates would decrease the net assets available for benefits by \$2.0 million at December 31, 2009, representing 5.7% of the \$34.4 million fair value of fixed income investments.

Foreign exchange

The Plan is exposed to changes in the U.S. dollar exchange through its U.S. equities. Exposure to U.S. equities is limited to a maximum 18% of the market value of the total investment portfolio. At December 31, 2009, the Plan's exposure to U.S. equities was 11.1% (2008 – 9.3%).

At December 31, 2009, a 10% appreciation in the Canadian dollar versus U.S. dollar exchange rate would result in approximately a \$.7 million decrease in net assets available for benefits.

Equity prices

The Plan is exposed to changes in equity prices in Canadian and U.S. markets through its equity investments. Equities comprise 38.5% (2008 – 18.5%) of the carrying value of the Plan's total investments.

The following table indicates the approximate change that could be anticipated to the increase in net assets available for benefits based on changes in the Plan's benchmark indices at December 31, 2009:

Public Employees Disability Income Fund Notes to the Financial Statements

December 31, 2009

1. Description of Fund

The Public Employees Disability Income Fund (PEDIF) is a special purpose fund used to account for the transactions of the Disability Income Plan (Plan). The Plan continues under subsection 64(2) of *The Financial Administration Act, 1993*.

This Plan is managed by the Public Employees Benefits Agency (PEBA) and provides a level of income protection during periods of occupational or total disability. Plan participants are certain employees of the public service of the Province of Saskatchewan and Saskatchewan Crown agencies, whose participation in the Plan has been approved by the Lieutenant Governor in Council. The Government through the Minister of Finance entered into an agreement with Great West Life Assurance Company (Great West Life) to administer the Disability Income Plan, effective January 1, 2009. Co-operators Life Insurance Company (Co-operators) administered the Plan in prior years.

Premiums

Employees and employers pay premiums monthly. Employees contribute 0.48% of their basic monthly salary and employers contribute between 0.544% and 0.571%. For some plan participants the employer pays 100% of the employees' contributions.

Effective June 1, 1994, the Plan began paying employers' contributions to the Public Employees Pension Plan (Pension Plan) for employees who belong to that Pension Plan and receive disability benefits. All participating employers are required to pay 0.064% of basic monthly salary for all its employees to the Plan to cover these contributions. The Plan includes the contributions to the Pension Plan in disability benefits expense and the additional contributions paid by employers in premium revenue in the statement of operations and net assets.

Effective June 1, 1994, participating employers in the Public Employees Disability Income Plan remit an additional employer premium on behalf of all insured employees. This additional employer premium funds the employer's pension contribution on behalf of disabled employees who are members of the Public Employees Pension Plan. As some disabled employees are not members of the Public Employees Pension Plan, they are not entitled to have the employer's pension contribution remitted on their behalf. In these cases, the "deemed" employer's pension contribution will be refunded back to the employer each year commencing 2005.

The refunds of the required premium, and the additional premiums, are recorded in premium revenue in the statement of operations and net assets.

Benefits

After a qualifying period of 119 calendar days, a disabled employee receives a gross monthly disability benefit equal to 75% of pre-disability basic monthly salary. Benefits are initially payable while an employee is occupationally disabled (unable to work at his/her own occupation). This period covers 24 months from the date of disability. Thereafter, the employee must be totally disabled from any reasonable occupation for benefits to continue. Benefits will continue under the total disability provision until the earlier of return to work, death, age 65 or retirement.

5. Provision for Claims Payable

An actuarial valuation was performed by Aon Consulting Inc. as at December 31, 2009 and as at December 31, 2008 to determine the liability for the future cost of existing claims of disabled members. The valuation includes a provision for claims incurred but not yet reported. The actuarial valuation of claims as at December 31 and the principal components of the change in actuarial valuation during the year were as follows:

	2009	2008
Actuarial valuation, beginning of year	\$77,379,000	\$65,898,000
Interest on previous liability	4,643,000	3,624,000
Mortality and termination experience (gain)	(8,092,000)	(3,000,000)
Change in assumptions	3,110,000	(1,537,000)
New claims	13,754,000	21,127,000
Expected benefits payments	(11,015,000)	(8,733,000)
Actuarial valuation, end of year	<u>\$79,779,000</u>	<u>\$77,379,000</u>

The valuation is based on the following assumptions: 1) the allowance for claim termination is based on the Canadian Group Long-Term Disability Termination Experience Report, 1988 to 1994, as published by the Canadian Institute of Actuaries adjusted for experience; 2) the interest rate assumed is 5.1% (2008 - 6.0%); 3) the inflation rate assumed is 2.5% (2008 - 2.5%) for all future years.

The amount of benefits payable under the Plan may be increased on October 1 each year. The increase in benefits is indexed, subject to a maximum of 1.25% per annum, to the Consumer Price Index for the year ending on the immediately preceding July 1.

If the valuation assumed no indexing of benefits each year, the liability at December 31, 2009 would be \$68,295,000 (2008 - \$66,398,000).

The liability for claims is based on a number of assumptions about future events including: recovery and mortality rates, interest rates and expected benefits from other sources. The actual experience may vary significantly from the assumptions used.

The following illustrates the effect of changes in the interest rate, cost of living adjustment and recovery rates.

- a 1% change in interest rate equals a 5.9% change in the liability including the cost of living adjustment as determined by the consumer price index
- a change in the cost of living adjustment of 1% equals a 6.1% change in the liability
- a 10% change in recovery rates equals a 4.0% change in the liability

The provision for claims payable is long-term in nature and there is no market for settling these obligations. Therefore, it is not practical to determine the fair value of the provision for claims payable.

6. Administration Expenses

PEBA administers PEDIF for a mutually agreed upon fee.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Plan is classified as an other government organization. These financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable to for-profit entities. The following accounting policies are considered significant.

a) Premiums revenue

Premiums are recognized as revenue when due.

b) Disability benefits expense

Disability benefits expense is recognized commencing in the year the claim occurred.

c) Investments

The investments are held by the GWL Investment Management Limited on behalf of PEDIF in a segregated fund. All investments in the segregated fund are valued at fair value. The fair value of short-term notes is based on cost. The cost of short-term notes plus accrued interest approximates their market value. Canadian government and corporate bonds, Canadian and U.S. equities, and non-North American equities are valued at the closing bid price. The market values of investments in foreign currencies are translated into Canadian dollars at the closing rate of exchange on the valuation date. The purchase and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions.

d) Provision for claims payable

The provision for claims payable represents the present value of future payments arising from claims made prior to year-end. This provision includes an estimated amount for claims incurred but not yet reported at year-end. The provision for claims payable is determined pursuant to an actuarial valuation. Any resulting change in this liability is recognized as a revenue or expense in the statement of operations and net assets.

e) Use of estimates

These statements are prepared in conformity with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

The primary measurement uncertainty arising from the use of estimates which may affect reported amounts, relates to the valuation of the provision for claims payable – see Note 5.

f) Financial instruments

Receivables and payables are measured at amortized cost. The investments held by GWL Investment Management Limited on PEDIF's behalf are measured at fair value.

The carrying value of financial instruments approximates their fair value. Changes in fair value are recognized in the Statement of Operations and Net Assets.

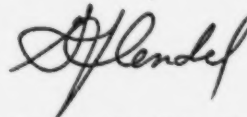
Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Public Employees Disability Income Fund as at December 31, 2009 and the statements of operations and net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
March 11, 2010

Public Employees Disability Income Fund
Statement of Financial Position

Statement 1

As At December 31

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets:		
Cash	\$ 5,804	\$ 398,254
Due from Great West Life Assurance Company (Note 4)	18,951	-
Due from Co-operators Life Insurance Company (Note 4)	-	207,735
Accounts receivable	<u>552,491</u>	<u>360,393</u>
	577,246	966,382
Investments (Note 2c, 3)	<u>67,239,172</u>	<u>64,145,227</u>
Total Assets	<u>\$ 67,816,418</u>	<u>\$ 65,111,609</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 93,553	\$ 119,207
Employer premium payable	119,365	114,370
Provision for claims payable (Note 5)	<u>79,779,000</u>	<u>77,379,000</u>
Total Liabilities	79,991,918	77,612,577
Net Deficit (Statement 2)	<u>(12,175,500)</u>	<u>(12,500,968)</u>
Total Liabilities and Net Assets	<u>\$ 67,816,418</u>	<u>\$ 65,111,609</u>
Contingencies (Note 7)		

(See accompanying notes to the financial statements)

Management's Report

To the Members of the Legislative Assembly of Saskatchewan

As members of management of the Public Employees Disability Income Fund, we are responsible for the preparation and presentation of the following financial statements in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year.

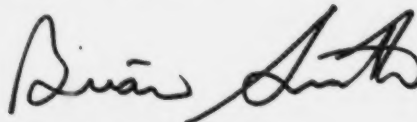
The significant accounting policies adopted in the preparation of the financial statements are fully and fairly disclosed in the financial statements.

The actuary has prepared a valuation report on the provision for claims payable of the Fund, made in accordance with accepted actuarial practices and using assumptions adopted by management. This report has been used in the preparation of the financial statements.

We believe the Public Employees Disability Income Fund has a system of internal control adequate to provide reasonable assurance that the accounts are faithfully and properly kept to permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles.

The Disability Income Plan Advisory Council was established in 1978 and is comprised of an equal number of management and labour representatives. It is responsible for reviewing policies and procedures governing the operations of the Disability Income Plan, address appeals where benefits have been declined by the insurance carrier and oversee management of the investment fund.

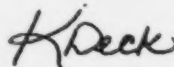
We enclose the financial statements of the Public Employees Disability Income Fund for the year ended December 31, 2009 and the Provincial Auditor's report on these financial statements.



Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency



Perry Bahr
Director, Benefit Programs
Public Employees Benefits Agency



Kathy Deck, CGA
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
March 11, 2010

Public Employees Disability Income Fund
Statement of Cash Flows

Statement 3

Year Ended December 31

	<u>2009</u>	<u>2008</u>
Cash flows (used in) from operating activities:		
Premiums received	\$ 8,317,391	\$ 8,210,378
Disability benefits paid	(11,027,280)	(9,957,247)
Administration expenses paid	(953,814)	(796,464)
Adjudication fees paid	(436,200)	(419,231)
	<u>(4,099,903)</u>	<u>(2,962,564)</u>
Cash flows from (used in) investing activities (Note 2c, 3):		
Proceeds from investments	<u>3,518,669</u>	<u>5,200,000</u>
Net (decrease) increase in cash	(581,234)	2,237,436
CASH, BEGINNING OF YEAR	<u>605,989</u>	<u>(1,631,447)</u>
CASH, END OF YEAR	<u>\$ 24,755</u>	<u>\$ 605,989</u>
Balance consists of:		
Cash	\$ 5,804	\$ 398,254
Due from Great West Life Assurance Company (Note 4)	18,951	-
Due from (to) Co-operators Life Insurance Company (Note 4)	<u>-</u>	<u>207,735</u>
Cash, end of year	<u>\$ 24,755</u>	<u>\$ 605,989</u>

(See accompanying notes to the financial statements)

Saskatchewan Film and Video Development Corporation
 Saskatchewan Human Rights Commission
 Saskatchewan Institute of Applied Science and Technology
 Saskatchewan Municipal Board
 Saskatchewan Party Caucus
 Saskatchewan Power Corporation
 Saskatchewan Telecommunications Holding Corporation
 SaskEnergy Incorporated
 SecurTek Monitoring Solutions Inc.
 St. Louis Alcoholism Centre Board of Governors
 Sun Country Regional Health Authority
 Tourism Authority
 TransGas Limited
 Wakamow Valley Authority
 Wanuskewin Heritage Park Authority
 Wascana Centre Authority
 Western Development Museums
 Workers' Compensation Board (The)

The Government of Saskatchewan with respect to the following individuals:

Assistant Chief Electoral Officer
 Chief Electoral Officer
 Children's Advocate
 Conflict of Interest Commissioner
 Director of Residential Tenancies
 Information and Privacy Commissioner
 Legislative Assembly (Members of the)
 Members of the Public Service of Saskatchewan as defined by *The Public Service Act, 1998* excluding employees covered by the Saskatchewan Government and General Employees' Union
 Ombudsman
 Provincial Auditor
 Supervising Justice of the Peace, appointed under section 3 of *The Justices of the Peace, Act, 1988*

Administration

The Public Employees Disability Income Plan is self-insured and is managed by the Public Employees Benefits Agency, Saskatchewan Ministry of Finance.

The Disability Income Plan Advisory Council has been established under Section 16 of *The Government Organization Act* and is comprised of an equal number of management and union representatives appointed by Minister's Order. The Great West Life Assurance Company is on contract under an Administrative Services Only agreement to provide claims adjudication and benefit payment services to the Plan.

The Occupational Rehabilitation Group of Canada (ORGOC) and Northern Rehabilitation and Consulting Services Inc. (NRCS) provide rehabilitation services to the Plan.

Investment Management Services

The Minister of Finance is authorized to invest money of the Disability Income Fund in any class of investments authorized for the investment of moneys in the general revenue fund.

GWL Investment Management Limited invests the monies of the Fund under a contract to provide services. The Fund pays management fees to GWL Investment Management Limited.

Funding

Employees and employers pay premiums monthly. Employees contribute 0.48% of their basic monthly salary and employers contribute between 0.544% and 0.571%. For some plan participants the employer pays 100%.

Benefits

After serving a Qualifying Period of 119 calendar days, the gross monthly disability benefit is equal to 75% of pre-disability basic monthly salary.

Benefits are initially payable while an employee is occupationally disabled (unable to work at his/her own occupation). This period covers 24 months from the date of disability.

Actuaries' Opinion

With respect to the Public Employees Disability Income Plan, we have prepared an actuarial valuation as at December 31, 2009 for the purpose of determining the necessary actuarial information for financial statement reporting. In my opinion, for the purpose of this actuarial valuation:

- the data on which this valuation is based are sufficient and reliable;
- where applicable, the assumptions have been adopted as management's best estimates for accounting purposes and consequently I have not rendered an opinion on them; however, in my opinion, the assumptions are, in aggregate not unreasonable, when considering the circumstances of the plan and the purpose of the valuation; and
- the actuarial cost methods employed are appropriate.

Nonetheless, emerging experience differing from the assumptions will result in gains or losses which will be revealed in subsequent valuations.

This report has been prepared and this actuarial opinion has been given in accordance with accepted actuarial practice.



David R. Larsen, FSA, FCIA
Aon Consulting Inc.

March 11, 2010

Letters of Transmittal



His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan

May it Please Your Honour:

I have the honour to transmit herewith the nineteenth Annual Report of the Public Employees Disability Income Fund for the year ending December 31, 2009.

A handwritten signature in dark ink, appearing to read "Rod Gantefer".

Rod Gantefer
Minister of Finance

The Honourable Rod Gantefer
Minister of Finance

Sir:

On behalf of the Public Employees Benefits Agency, I have the honour to transmit herewith the nineteenth Annual Report of the Public Employees Disability Income Fund for the year ending December 31, 2009.

A handwritten signature in dark ink, appearing to read "Brian Smith".

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

Thereafter, the employee must be totally disabled from any reasonable occupation for benefits to continue.

Benefits will continue under the total disability provision until the earlier of return to work, death, age 65 or retirement.

Premiums/Claims Experience

	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
Premiums	\$8,522,258	\$8,048,723
Claims	\$11,059,605	\$9,925,481
# Active Claims	306	323

	(Change in thousands of dollars)	
	10% increase	10% decrease
S&P/TSX Composite Index	\$ 1,004	\$ (1,004)
S&P 500 Index	744	(744)

Liquidity risk

Liquidity risk is the risk that the Plan is unable to meet its financial obligations as they fall due. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable and claims payable are due within one year.

10. Budget

The annual budget was approved by the Disability Income Plan Advisory Council.

11. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to PEDIF by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan collectively referred to as "related parties". These transactions are recorded at agreed upon exchange amounts.

Due to the nature of PEDIF, substantially all premiums are received from related parties.

At year-end, the following amounts were due to/from related parties as a result of the transactions referred to above:

	<u>2009</u>	<u>2008</u>
Accounts receivable	\$531,582	\$311,876
Accounts payable and Employer premium payable	\$169,182	\$206,427

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes thereto.

Public Employees Disability Income Fund

Introduction

The Public Employees Disability Income Plan was established in 1978.

The Plan provides long-term disability benefits to employees of Executive Government, several Crown Corporations and various Agencies, Boards and Commissions as approved by the Lieutenant Governor in Council.

As at December 31, 2009 there were approximately 11,807 insured employees.

DIP Advisory Council

Brian Smith, Chair
Ministry of Finance (PEBA)

Jeannie Essey
SaskPower

Dawn McKibben
Public Service Commission

Carolynne Warner
SaskTel

Norma Reynolds
Public Service Commission

Dan Bailey
SaskEnergy
CEP Local 649

Amanda Freistadt Koch
SaskTel
CEP Locals 1S, 2S & 3

Michael Friebe
CUPE 600

Alan Murray
SaskPower
IBEW Local 2067

Participating Employers

The following employers participate in The Government of Saskatchewan Disability Income Plan:

Board of Arbitration under *The Surface Rights Acquisition and Compensation Act* (The)
Cafeteria Board of Saskatchewan
Chief Electoral Office (Office of the)
Children's Advocate (Office of the)
Crown Investments Corporation of Saskatchewan
Enterprise Saskatchewan
Farm Land Security Board
Information and Privacy Commissioner (Office of the)
Information Services Corporation of Saskatchewan
Leader of the Opposition (Office of the)
Legislative Assembly Service
Liquor and Gaming Authority
Meewasin Valley Authority
Milk Control Board
NDP Caucus Office
Ombudsman (Office of the)
Power Greenhouses Inc.
Prairie Diagnostic Services
Prairie North Regional Health Authority
Provincial Auditor (Office of the)
Regina Qu'Appelle Regional Health Authority
Residential Tenancies (Office of the)
Safe Saskatchewan
Sask Pork
Saskatchewan Arts Board
Saskatchewan Assessment Management Agency
Saskatchewan Cancer Foundation
Saskatchewan Centre of the Arts
Saskatchewan Communications Network Corporation
Saskatchewan Crop Insurance Corporation

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Public Employees Disability Income Fund as at December 31, 2009 and the statements of operations and net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
March 11, 2010

